



“BCL Industries Limited
Q3 and 9 Months FY '26 Earnings Conference Call”
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MODERATOR: MR. NITIN AWASTHI – INCRED EQUITIES

Moderator: Good morning, ladies and gentlemen, and welcome to the BCL Industries Earnings Call for Q3 and 9 Months FY '26 hosted by InCred Equities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchstone phone. Please note that this conference is being recorded.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Nitin Awasthi from InCred Equities. Thank you, and over to you, sir.

Nitin Awasthi: Thanks, So from BCL Industries management, today we have the Joint Managing Director, Mr. Kushal Mittal, the Chief Executive Officer, Mr. Varun Gupta.

I would now like to invite Mr. Kushal Mittal to initiate the proceedings with his opening remarks, post which we shall open the floor for a Q&A session. Thank you, and over to you, sir.

Kushal Mittal: Thank you, Mr. Awasthi. Good morning, everyone, and a warm welcome to BCL Industries Limited Q3 and 9 Months FY '26 Earnings Conference Call. Thank you for joining us today. Let me begin with a brief discussion on the prevailing operating environment for ethanol, followed by an update on strategic progress across the business and the key drivers for the quarter's performance.

India's ethanol blended program has reached a defining milestone during ESY '24-'25 blending levels have effectively achieved the E20 target reported blending at 19.98%. The program is now gradually transitioning to its next phase of evolution. Policy discussions are underway, including deliberations by relevant government committees and NITI Aayog to explore pathways for flex fuel engines and other usages for ethanol beyond E20.

Looking ahead, cycle 2 tenders are expected in the near term. We are hoping for allocations to improve. There may be a chance that the mix may be skewed towards FCI rice. Volume visibility remains linked to policy clarity. Till then, the company will continue to utilize its capacity through ENA production.

The industry has seen a growing shift towards grain-based ethanol with FCI rice and maize emerging as key feedstocks. BCL operates a flexible unit capable of processing multiple feedstocks, positioning BCL to insulate its operating performance from industry volatility during the quarter.

Maize prices have softened to around INR20 to INR21 a kg, which allows the company to compete aggressively in the ENA market. Let me now provide a strategic update on the company's ongoing transformation and growth journey.

During the quarter, we also announced to acquire the remaining 25% stake in Svaksha Distillery Limited, which is to be completed by 30th of June 2026, after which Svaksha Distillery will be a wholly owned subsidiary of BCL Industries Limited. The total investment outlay for this acquisition is expected to be around INR55 crores.

This strategic move will allow us to further consolidate control, streamline operations and unlock synergies while significantly strengthening BCL's leadership position in grain-based distillery segment.

A key differentiator of BCL continues to be our state-of-the-art distillery infrastructure, which allows us to operate efficiently while seamlessly switching between ENA and ethanol when required. In an environment where ethanol demand has remained subdued due to industry-wide oversupply and OMC allocations being lower than anticipated, this inherent flexibility has enabled us to optimize production, balance volumes and maintain stable operations.

I would like to highlight that Svaksha Distillery has received all necessary approvals and licenses under the no increase in pollution load scheme for its production capacity to be changed from 300 KLPD to 350 KLPD. In parallel, we continue to progress with our planned 150 KLPD capacity expansion in Bathinda. Therefore, our capacity is set to be increased to 900 KLPD by the end of FY '26.

ENA continued to deliver good performance, supported by healthy offtake from our P&L portfolio and consistent demand from leading bottlers across the country. During the quarter, the ENA volumes increased by 60% year-on-year to 15,330 KL, reflecting a sustained demand momentum.

PML saw a total sales of 488,000 boxes in Q3 FY '24. We have further strengthened our presence in the IMIL segment with the launch of Punjab special whiskey in glass bottles, reflecting our intent to elevate brand positioning and improve realizations. This also marks an important step in our phased approach towards entering the IMFL segment supported by structural industry growth and increasing consumer preference for premium offerings.

On the sustainability front, BCL remains amongst the few distillery players in India to use agricultural waste to meet company's fuel requirement. We currently operate a 60-tonne per hour paddy straw-based boil biomass boiler and plan to commission an additional 55 tonne per hour paddy straw-based boiler alongside at our Bathinda ethanol plant. With these initiatives, we're on track to meet 100% of our steam and power requirement through Paddy Straw, which will provide the company with further cost savings.

With respect to our edible oil business, we have fully exited our packaged oil business operations with stock liquidation underway and expected to be completed by the end of financial year. We continue to import crude edible oil in bulk for soft oil refining as that allows the company to fetch a better price in the global market.

However, BCL has now decided to report its oil trading business separately going forward. This will further enhance the transparency in the results and will give a more clearer insight to our

investor and everyone in the market on the different segments of the company. Our maize oil extraction unit at Svaksha Distillery is on track to be commissioned by Q4 FY '26.

Now let me move on to the quarter's operational and financial results. Our distillery segments delivered a robust volume growth with ENA volumes maintaining strong momentum in both Q3 and 9 months, rising 60% and 71% year-on-year. Ethanol volumes reached 47,420 KL in Q3. EBITDA for this quarter from distillery segment stood at INR60 crores, up by 42% year-on-year, while refinery revenue came at INR153 crores for Q3 with EBITDA margins of 5.23%.

For Q3, BCL delivered a strong performance with a total revenue of INR758 crores, EBITDA increasing by 41% year-on-year to INR68 crores with EBITDA margins expanding by 270 bps, largely driven by easing raw material prices and flexibility in using sources of energy, PAT increases by 69% year-on-year at INR35 crores.

While the industry environment continues to face policy-related uncertainties, BCL's core strength in grain procurement and processing sets it apart. Although we anticipate tough market conditions in the times to come, we expect BCL to ride the waves confidently given our operational efficiency. Thank you.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question from the line of Bala Murari Krishna from Oman Investment Advisors.

Bala Murari Krishna: First question is regarding the capex is going on stream. So in this quarter, we will commission 150 KLPD India and also 75 KLPD of maize oil extraction?

Kushal Mittal: Yes.

Bala Murari Krishna: Okay. So pertaining to margins, so there is a correction in the maize prices. Such a good extent, but still there is nothing is reflecting in the margins. So what could be the reason for this? And going forward, how we can see the margins because the maize prices are at lower levels as of now also as we speak?

Kushal Mittal: As you may have noticed, the company has tried to increase its ENA sales given the lower allocation of ethanol. And since the ENA market has become extremely competitive, the company has been very competitive in the market. And ENA is now -- the prices are significantly lower as opposed to ethanol. Hence, the company has to compete. And therefore, ENA currently is -- has lower margins as to manufacturing ethanol.

Bala Murari Krishna: So for the next year, what would be our capex 150 KL can understand that. And next year, what is the capex plan? And also from the maize oil extraction unit, what could be the revenue potential for the next year?

Kushal Mittal: See, for now, unless there is a clear policy in regards to the road map of ethanol going forward. Beyond this 150 KLPD, the company will review its future capex plans again before making any final decisions. So for now, our focus is towards the maize oil extraction and the 150 KLPD. And sorry, what was the second part of your question?

- Bala Murari Krishna:** What is the revenue potential from this maize oil extraction ...
- Kushal Mittal:** Maize Oil extraction and the refinery business will continue around the similar levels where we are operating at. So we did a revenue of around INR150-odd crores this past quarter, and the figures will be around that only.
- Bala Murari Krishna:** Okay. Understood. So finally, on ethanol supply part. So I think there is a lot of gap between the capacity and also the tenders which we received from OEMs so even if we divert some capacity to ENA still maybe some more orders to cater and this 150kLPd capacity what will the gap between the orders and also our [inaudible 14:15]?
- Kushal Mittal:** I'm sorry, I couldn't understand the question.
- Bala Murari Krishna:** Yes, I'll rephrase it. So OEMs efficiency is on lower side for all players. And we have ENA market as well as some capacity to ENA. But still 150LPD also get added to our capacity. So there will be a gap between the demand and our capacity. So how we are going to plan to mitigate that gap?
- Kushal Mittal:** See, for now, company will focus on maximizing ENA sales, PML portfolio. Yes, ethanol allocations are lower. We are expecting a C2. Let's see what that brings. The company will try to sell more ethanol to private companies being Reliance and Naira and see how we can bring our capacity utilization close to 100. It's an ongoing situation, and the company is trying its best for now to maximize its utilization.
- Bala Murari Krishna:** Okay. Lastly, on maize price, what is the current maize price in the last quarter and the current quarter? Can you share this?
- Kushal Mittal:** So maize prices have been around INR20 for some time now, given 5% here and there.
- Moderator:** We will take the next question from the line of Pushkar Jain from Mili Capital.
- Pushkar Jain:** Yes. I wanted to ask about the allocations. So like when are the next set of allocations expected to be announced? And what is our expectation that about the allocations like how things will move forward in ethanol?
- Kushal Mittal:** See, I'm not aware when the next cycle will come. that depends on OMCs decide for it to come and exactly what quantity would it be of. So yes, we are expecting some improvement in allocation post the cycle, too. But for now, it is not wise for me to comment on it with the limited information that I do have.
- Pushkar Jain:** Okay. So it will depend on like OMCs whenever they want to do the next allocation. But sir, my -- the second question is regarding because of the, is there a risk that government would reduce the price of maize based ethanol from INR72 in the next ESY because of the current margins like currently [inaudible 17:23]. So do you foresee it as a risk?
- Kushal Mittal:** Yes, it very well could be considered by the government. I'm sure they're aware of the current raw material prices in the market and the prevailing situation of overcapacity in the industry. So

yes, maybe they could make a decision on that. But again, I'm not in the government, so it's tough for me to comment on it.

Moderator: Next question is from Deepesh Sancheti from Manya Finance

Deepesh Sancheti: Hello, Kushal ji. Congratulations on a good set of numbers. We've observed a sharp increase in ENA volumes. Could you elaborate the realization and the margin difference between the ENA and ethanol?

Kushal Mittal: Yes. So for now, there's a significant difference in the prices of ENA and ethanol because as mentioned earlier, we've had to sell more ENA, and we're now even exploring markets outside of India for ENA. Prior to the ethanol policy, a lot of our product used to be exported to Africa, but the Indian market could not -- post the ethanol policy became too expensive.

Again, now we're exploring that market and other industrial uses for ENA in the country. so prices of ENA are currently around INR59 to INR60 in the market. So quite low as compared to ethanol. But given the lower allocations, the company has no choice but to sell more ENA.

Deepesh Sancheti: And all this ENA has been made from maize itself? Or are we using FCI rice also?

Kushal Mittal: No, no. FCI rice is used for ethanol. maize or damaged rice is being used for ENA.

Deepesh Sancheti: And out of this ENA total ENA capacity, what is the proportion which is utilized for captive consumption by PML?

Kushal Mittal: So PML is quite low as of today. I'd say, 10% to 15% of my Bathinda's capacity is being used for my bottling unit.

Deepesh Sancheti: Okay. So going ahead, I mean, what is the capacity utilization in this quarter? And how do you see going forward with the ethanol? And I mean, what is the future of ethanol according to you going ahead?

Kushal Mittal: See, for this quarter, capacity utilization has been close to 100%, and we will try our best to keep it close to 100% in the coming quarters as well. See, the future of ethanol, again, I think, is a very bright future. E20 is not the end. Ethanol blending policies are being introduced in neighbouring nations also as we speak and flex fuel cars will be introduced in India.

And ethanol itself is a good product, which can further be converted into sustainable aviation fuel, which I think has a very good future for India because given that we are now operationally very strong as a country in producing ethanol and have a complete ecosystem with a lot of SAF mandates coming into Europe and other nations starting from next year. SAF also, I believe, has a very good future.

So overall, the ethanol policy has not just benefited companies like us. It has benefited the government in saving forex. It has mostly benefited the farmers as their produce has been selling at a good rate without them having to worry about getting timely remunerations from companies. So ethanol has benefited the Indian economy as a whole. And I think the future is bright. There are slight hiccups. It might take some time for policy to formalize. But overall, we're optimistic.

- Deepesh Sancheti:** The reason I'm asking is because we took the additional stake of Svaksha also. So are we seeing -- I mean, green shoots? Are we seeing -- I mean, should it convert to the confidence of the promoters in ethanol business?
- Kushal Mittal:** See, the promoters of this company are not in this for 2-3 years. We're in this for the long run. So we are quite confident that in the long run, the business that we're in will continue to grow and flourish.
- And of course, just like any other business, there are cycles that a business goes through of euphoria, then a slowdown and again, of stabilization. And then again, there is a good cycle. So we're quite hopeful that in the long run, both ENA and ethanol are industries that will continue to grow.
- Deepesh Sancheti:** Right. And besides Pernod Record, Amruth ABD, which are the other ENA -- other bottlers, which we are supplying ENA to? Because you mentioned that we are also exploring exports.
- Kushal Mittal:** Yes. So Diageo is also a big buyer from us from Kharagpur. And then there are various local bottlers from everywhere. Now from Bathinda also targeted perfumery companies who require alcohol for perfume manufacturing. And then there are various traders through which we can export this ENA to many African nations.
- Deepesh Sancheti:** And ENA prices, you think that they will stabilize here on because I remember ENA prices were much higher before. So you think INR59- INR60 should be the bottom?
- Kushal Mittal:** Yes, I believe so. But again, it's tough to make any comments.
- Moderator:** We have the next question from the line of Dipanshu Pandey from Solara Wealth.
- Dipanshu Pandey:** Okay. So my question is regarding the demand for the Punjab whiskey, which you have launched recently in glass addition. So how is the consumer response for that whiskey? And what are the margin advantages which we are gaining on this glass addition compared to the normal Punjab whiskey which you have launched earlier?
- Kushal Mittal:** See, the market response has been positive so far. Of course, everything takes time for a new product to come into the market. But overall, the response has been positive, and I think we'll continue with the product going forward. When we talk about the margins, since it's a new product, we have to price it very aggressively and the packaging needs to look premium. I think the margins are currently lower than our original offerings. But this was a necessary step to increase our portfolio. So we had to make this decision.
- Dipanshu Pandey:** Okay. So do you see margins getting expanding in future, obviously, as the product will further grow?
- Kushal Mittal:** Yes, that was the thought behind it. And also, if we want to increase our volumes and our product portfolio must grow along with it.
- Moderator:** We'll take the next question from the line of Saket Kapoor from Kapoor Co.

- Saket Kapoor:** Sir, firstly, if you could just explain slightly in detail the dynamics of the ENA industry currently? And what has led to the lower trends in the realization? If you remember, sir, the averages for the prevailing few months were in the higher 70s. -- correctly there, sir, and your thought process?
- Kushal Mittal:** Prices of ENA a few months ago were around INR69, INR70 a Liter. But with some companies like ours who have the flexibility between ENA and ethanol, also getting lower allocation for ethanol, there has been an increased supply of ENA in the market, which was expected. And hence, prices have come down with the increase in supply.
- So that's why this current trend is playing out, which I had also -- I mean, my last earnings call 3 months ago, I had highlighted this fact that moving forward, we expect the ENA market to be very competitive, and we will have to price our product accordingly. So the management was aware that this trend will play out.
- Saket Kapoor:** So just to understand, it is the incremental volume that has created the price slump and also the RM falling, that means our conversion margins are -- have improved or have remained?
- Kushal Mittal:** Yes, of course, with the raw material prices also decreasing, it has helped us to decrease the ENA prices in the market. Otherwise, we would have been working at negative margins if the raw material prices had not decreased.
- But with the raw material prices now going down and the rupee depreciating as opposed to the dollar, in the last 3, 4 months, this opens up 2 markets for us. One of ENA being exported out of India. And secondly, the potential of replacing the import of industrial alcohol in the country from -- mainly from U.S.A. and Brazil for pharmaceutical companies.
- Saket Kapoor:** Sir, last point, can you deliberate once again? I missed it. The export of...
- Kushal Mittal:** So India currently imports a significant amount of industrial alcohol for the use of pharma industry. So with the rupee also depreciating and the raw material prices also decreasing, we hope now to start competing with the imported alcohol also.
- Saket Kapoor:** Okay. Sir, are these grades different than what we are manufacturing since you are telling that a large quantity of industrial alcohol is imported. So manufacturers like us do -- product profile is different?
- Kushal Mittal:** Product is same or anyone who has the flexibility for an ENA license can supply to these companies. Anyone who just has an ethanol license cannot. But with the increase in prices in the domestic market, we were not competitive with the import market in the past.
- Saket Kapoor:** Okay. And sir, secondly, on the purchase of stock in trade, can you explain the nature, sir in the P&L for this quarter, we have found a significant purchase of stock in trade to the tune of INR83 crores. What is this attributable to...
- Kushal Mittal:** No, that is not PML.
- Saket Kapoor:** That is I'm talking about the profit and loss account in the profit account?

- Kushal Mittal:** Yes. So I think this figure that you're referring to is our oil trading business, INR83 crores revenue. So from now on, we've decided to list our oil trading business separately because we have always imported oils in bulk throughout our past. But earlier, our refining capacity was a lot more.
- So most of that oil used to come for our captive use. But since our refining capacity has now decreased, to get good prices in the global market for oils. We continue to import in bulk. And where it deems fit, we decide to sell this product in high seas or bring it to India and sell it from the port. So for greater transparency, -- and to show our investors the different verticals, we've decided to now list these numbers separately.
- Saket Kapoor:** Right. A small point, I'll join the queue. Sir, is it the availability of our raw material that is maize, corn that is leading to the lower price trends and there is also a ramp-up in capacity across the country, I think so for the ENA. Just to understand the dynamics, why have the realizations trended downward, whether this is a growth in market or growth in market along with growth in the output? Or if you just could give a final comment on that?
- Kushal Mittal:** No, as explained earlier, again, Saket, of course, maize prices have an impact in us allowing us to reduce the prices of ENA. I don't think there's significant ENA capacity coming in the country. There has been a significant expansion in the ethanol capacity in the country, but not towards ENA as much. As explained earlier, with a lot of companies getting lower allocations for ethanol, the ENA supply has increased in the market, hence, the decline in prices. There are 2, 3 factors that have played this, not just one.
- Saket Kapoor:** Right. And this trend is continuing for the entering quarter also. Nothing -- there is no parameter that the realization we will see an uptick?
- Kushal Mittal:** For now, prices have somewhat stabilized. Let's see what the coming quarters hold.
- Saket Kapoor:** And we are running at optimum utilization?
- Kushal Mittal:** Yes.
- Moderator:** We will take the next question from the line of Heli Shah from Arihant Capital.
- Heli Shah:** My first question is, what are the key drivers behind the 9% EBITDA margin this quarter? And how sustainable do you believe this margin level is going to be forward?
- Kushal Mittal:** I think margins have been somewhat consistent given the nature of the business. Raw material prices have decreased, The company is running a more efficient business now with the old edible oil unit closing down. So of course, all those factors have played a role in this.
- Heli Shah:** Okay. My next question is what kind of volume growth are we targeting for FY '26 and '27? And do we intend to increase shift towards ENA segment?
- Kushal Mittal:** No, the increased shift towards ENA is happening as we speak. Volume growth would be difficult for this financial year because we're already operating at 100% capacity utilization.

- Heli Shah:** Okay, sir. And my last question is, could you update on the progress towards entering IMFL segment, like what are the expected time lines and targeted categories and your outlook on Punjab liquor market?
- Kushal Mittal:** See, I can't give set time line as of yet. The company is working towards it and this new product in IMIL market is a stepping stone. We've added 2 more products in the IML market, and we're focusing on that in the coming financial year aggressively and also working towards seeing how to enter the Punjab market. And not just Punjab, if we enter IMFL, we have to also enter the surrounding states. So currently working on that strategy.
- Moderator:** We will take the next question from the line of Majid Ahmed from Pinpoint Capital.
- Majid Ahmed:** Sir, my first question is especially what were the DDGS prices during the quarter? And how has the demand been sir?
- Kushal Mittal:** The demand for DDGS has been good. The prices for maize DDGS for the quarter, I think, were around INR21 on an average. So the demand and the prices both have been good in the market.
- Majid Ahmed:** Okay. And sir, what is the plan on the real estate part, sir?
- Kushal Mittal:** So the real estate business, we've got some inventory left, and it's taking its time to sell since it's plotted inventory. So prices have increased in the market. So we're seeing a slightly lower demand. But we're not too stressed about it. I think it will sell it at its own time at a good price. Most of the stock has been liquidated in the past few years.
- Majid Ahmed:** And sir, what about the oil trading segment, sir? Like what are we planning to do currently, like Q4 any, what type of revenue are we looking at?
- Kushal Mittal:** As explained earlier during my call today, oil trading is a part that was always a part of our business. Earlier, it was not shown separately because to get oil for our refinery, we have to buy from overseas and to get a good price from the overseas market, we have to buy in bulk.
- In the past, since our captive consumption was a lot more in our refinery, most of the product was used and whatever the excess quantity was there was either sold high seas or once it arrived at port in Kandla.
- Now since our refinery capacity has decreased, we'll continue to buy oil in bulk in the global market to get good prices. Hence, we either decide to trade that in ICs or at the port. these numbers are being reported separately from now on for just greater transparency for the market.
- Majid Ahmed:** Okay. Sir, the svaksha maize is expected to commission the next quarter. What is the expected revenue and margins, sir? And do you have any offtake agreement?
- Kushal Mittal:** No. So this oil can be sold in the market. We don't expect our revenues to increase significantly because of it because the oil that we sell in the market leads to a decrease in the price of DDGs, but it has a positive impact in our margins because this is a forward integration and nothing more.

- Majid Ahmed:** And sir, you have also launched this Punjab Special whiskey. Like what is the revenue per box and what type of volume growth and trajectory, sir?
- Kushal Mittal:** See, for now, the volumes are quite low because it's a new product that has been launched. And the margins also as compared to our previous brands is lower because you're pricing it aggressively. So we've gotten a good feedback from the market. So we expect -- hope and expect the sales to grow in the coming times.
- Majid Ahmed:** Okay. Got it. Sir, the INR70 crores additional debt for 150 KLPD expansion, what would be your peak debt level, sir? And how much -- how comfortable are you with the interest coverage ratio?
- Kushal Mittal:** I think the company's interest coverage ratio is very good, around 6% or even greater, 6.9% as far as I know. And the debt levels are as we speak, I think it should -- with that peak debt and it will only go lower, our working capital utilization as of today is very low. So I think we're quite comfortable where we are. At the end of quarter 3, our consolidated debt was INR494 crores, which includes working capital and our long-term debt. And I think the coming quarters will only come down lower than this.
- Majid Ahmed:** And what about the working capital cycle, sir, like what are we expecting going forward, sir?
- Kushal Mittal:** I'm sorry.
- Majid Ahmed:** About the working capital cycle, sir, are we planning to improve it? Or how are we targeting, sir, post FY '26?
- Kushal Mittal:** No, I think it will improve the times to come, especially with the edible oil business, a major part of it being closed, which was very working capital heavy. So I think it will improve.
- Majid Ahmed:** Can you give me any like working capital range that we're looking to improve that would be...
- Kushal Mittal:** I'm sorry, what do you mean by working capital range?
- Majid Ahmed:** The days, sir, like currently, we have around working capital days around 40 to 50 days, cash conversion around 70, like how are we then incrementally reducing it to, sir? That's what I'm trying to understand.
- Kushal Mittal:** See, I can't -- I'm sorry, but I don't have an exact target that we set as a company. What we set as a company is utilizing the least amount of working capital possible. So as of today, our working capital limits are mostly quite underutilized. So given that they're underutilized, I believe that our ratio will also improve accordingly. But we don't have a set target.
- Moderator:** We will take the next question from the line of Bhavesh, an Individual Investor.
- Bhavesh:** With respect to the proposed sale of the land parcel, could you clarify the total area of the land in acres under consideration? And additionally, how does the management plan to utilize the proceeds from the sale? Would this primarily be directed towards debt reduction, acquisition of

remaining stake in Svaksha Distillery foraying into the IMFL segment and distribution in the form of dividends or any other strategic purposes?

Kushal Mittal: Thank you for that. So the land with the company was close to 16 acres and some portion of it was from lease from the Waqf Board. So the proceeds from the sale of this land will mainly go towards the acquisition of the 25% at Svaksha Distillery.

Bhavesh: But it's -- the area is around 16 acres. So if I calculate the cost of the land value should be around INR200 crores, INR250 crores?

Kushal Mittal: No, no. I don't think it's anywhere close to that in the market we're sitting. Maybe in Bombay, it is, but not in Bathinda, Punjab. I think it's the realistic value in today's market, I think, is anywhere close to -- the realistic value is INR45 crores.

Bhavesh: INR45 crores, that's very low. Like it's a 16-acre land parcel. So even if I calculate the lowest amount, it should be around INR100 crores, INR110 crores?

Kushal Mittal: What is the lowest amount you're taking per acre?

Bhavesh: Per acre, I was taking around INR3,000 to INR4,000 per square feet, sorry?

Kushal Mittal: Prices here are nowhere close to that, unfortunately. I wish they were.

Bhavesh: But is it a redevelopment land? Is it an industrial land? What exactly it is? Like if the developer or the company purchase it, would it be used for construction of residential property or some other property?

Kushal Mittal: So currently, it's passed as an industrial land, but purchases this will develop a residential project there. So the CLU can be changed, but that's not an issue.

Bhavesh: Okay. Sir, my next question is with respect to the 150 KLPD capacity coming operational this quarter. What kind of incremental revenue contribution should we expect on a steady-state basis?

Kushal Mittal: See, that mainly depends on if we are getting any further ethanol allocation and what kind of numbers we get from there. So currently, as everyone is aware, the allocations are lower than expectation. And depending on the next cycle by the OMCs and what allocations are given, it really depends on that.

Bhavesh: But we will achieve the INR3,000 crores mark this financial year and with the PAT growing 35%, 40% because we have already achieved around INR2,200 crores, INR2,300 crores in the 9 months. So -- and the PAT has grown to INR100 crores in the 9 months. So looking forward, we can see INR3,000 crores and INR140 crores mark. That's a 40% growth?

Kushal Mittal: See, we are trying for the same and working for it. But as explained, we have had to increase our ENA sales given the current market situation and prices there have been very competitive. So yes, all of the management is trying to reach the magical INR3,000 crores figure.

- Bhavesh:** Biodiesel also should contribute to this because you have already completed the 75 KL construction. So when do you see the revenue flowing in?
- Kushal Mittal:** See, the biodiesel prices offered by the OMCs were not viable. So hence, the company did not partake in the tender. Unless there is any revision in the prices of biodiesel, it will be very difficult to participate in the current tenders.
- Bhavesh:** So the prices will fluctuate between 80 to 90 only. That's the trend going forward, I can see. So the company won't participate. So then like what will you do with the plant then like 75 KL, how would you use it?
- Kushal Mittal:** It's very difficult to make a forward statement saying that the prices will remain at INR80 to INR90. Prices are much higher before that. Just last year, the prices were around INR124. So I think it's a difficult call to make -- give a forward statement that the prices will remain around INR80 to INR90.
- The biodiesel sector across India is struggling, and I believe the government is aware of that. So we expect in the coming times on the contrary that the policy will be improved so that the biodiesel sector again becomes viable.
- Bhavesh:** Sir, I have just 2 suggestions, more questions. So first is regarding the -- your website. So if you could update the biodiesel section with the latest pictures of the plant and replace the edible oil section with maize oil refinery and oil trading business. This will be one suggestion.
- And the other one, if you're seeing good response to the launch of Punjab Special Whiskey and premium glass bottles, I suggest launching Green Apple vodka and premium glass bottles as well with a bit of rebranding. So this could help elevate the brands and provide insight into the areas for the improvement in future whiskey and vodka launches within the IMFL segment.
- Once you have done that, dedicate a separate slide of premium offerings in your investor presentation and a separate page on your website to showcase the company's premium offerings. So this can help attract both current and potential investors. That's my 2 suggestions.
- Kushal Mittal:** Thank you a lot. Suggestions taken very positively, and we will work on it. But just thank you again for your suggestions. I think they were very good. Just the market demand for IMIL glass bottle in vodka is not there. So in glass bottle and IMIL, there's only demand for whiskey. But we are working towards increasing the volume of our green Apple vodka in PML. But other suggestions are all very good, and we'll work towards that.
- Bhavesh:** But you said that you have a couple of launches coming in the next financial year, like somewhat I couldn't hear that apart from this one glass bottle, you have launched or you're launching other 2 brands?
- Kushal Mittal:** We've launched 2 more products in the country liquor market, but they're not in glass bottles. They are in PET bottles.

- Bhavesh:** Okay. So could you upload that as well in the updated presentation, if not in this presentation, but in the Q4 presentation?
- Kushal Mittal:** Sure, we'll do.
- Moderator:** We will take the next question from the line of Rahil S. from Sapphire Capital.
- Rahil S.:** Sir, have we sort of given any guidance for EBITDA margins going forward at what rate it will sustain in coming quarters?
- Kushal Mittal:** I don't wish to give any forecast on EBITDA margins because our industry is going through a transitioning phase and same with our company. So although raw material prices are at a good range, so is the prices of ENA has decreased. So it will be very difficult for me to give any forecast. But yes, the company is trying to sustain good margins as we have done so in the past.
- Rahil S.:** And with the new sort of capacities coming in, when will we see the optimum benefit of it on our volumes and revenues?
- Kushal Mittal:** Just explained to the last few questions in the last 2-3 questions. I'll just explain this. The revenue optimization from this added capacity depends on the next cycle from the OMCs and what kind of allocations that we get. So currently, the allocations are lower than expectation. And only the increase will we expect volume or revenue addition from this added capacity.
- Moderator:** We have the next follow-up question from the line of Deepesh Sancheti from Manya Finance.
- Deepesh Sancheti:** Just wanted an update on the Goyal Distillery. What is our plan on the 250 KLPD? And going ahead for the next 2 years, what is -- how is our capex lined up?
- Kushal Mittal:** So for now, we've decided to hold to the Goyal distillery capacity expansion and any further expansions into the ethanol business unless there is a clear set policy on the path forward. The company is now seeing that there will be some policy changes and needs to have cash and resources in hand for any further investments, one being sustainable aviation fuel, that would be a capex-heavy project when there is a policy and the company needs to be prepared for that.
- There are other products also that the company can look to invest in, whether that is isobutanol or the company is also actively looking and considering an investment in setting up a malt plant, which would be a vertical addition to our distillery business.
- So from now, we're taking a pause on any further ethanol capacity expansion, which will depend on the future policies. But the company is at the meantime, looking for various other avenues and where to invest and when the time is right to move fast on that front.
- Deepesh Sancheti:** Right. And what is the average cost of debt, if you can mention? And is there any interest subvention which we have got in this quarter?
- Kushal Mittal:** Yes, of course, for our Bhatinda units in the long-term debt, about INR90 crores is under interest subvention, where the average interest cost is around 4.5%. And even at the Svaksha Distillery,

one of our loans of around, I think, INR50-odd crores is under interest subvention. Besides that, I think the average cost of debt would be anywhere around I think 8% or even low, I think 7.5%.

Deepesh Sancheti: That is including all the subvention, everything. I think last time it was around...

Kushal Mittal: No, no, that's excluding -- that's excluding the inter subvention.

Deepesh Sancheti: Okay. Okay. That's excluding. Right. So just wanted to understand --out of our total capacity, which we are having of ethanol and ENA, how much is dedicated ethanol because that is what we have taken the loan on subvention. So how much of it is that we cannot touch that and we cannot produce any ENA from there?

Kushal Mittal: So for Bhatinda, that's 350 now with the added addition. And for Kharagpur, that's 150.

Deepesh Sancheti: So total in 500 KLPD, we have to produce ethanol only.

Kushal Mittal: Yes.

Deepesh Sancheti: And rest of the capacity, we can use it as ENA dedicated.

Kushal Mittal: Yes.

Deepesh Sancheti: Thank you very much.

Moderator: Ladies and gentlemen, due to time constraints, we will take that as the last question for today's conference. And with that concludes the question-and-answer session. Thank you, members of the management. On behalf of BCL Industries, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.